

# **Whittier Peninsula Market Analysis Summary of Findings**

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# Whittier Peninsula Site

## Strengths:

- Central location within the city.
- Provides a unique contrast between urban and natural settings.
- Quality views of downtown skyline and park (premiums).
- Proposed Metro Park will serve as major amenity.
- “Blank slate”
- Proximity to the well-recognized live/work/play Brewery District (new Kroger’s grocery store).
- Relative isolation provides a peaceful setting and minimizes perception of crime.
- Railroad tracks enhance urban milieu.
- Positive synergy created by a large concentration of new housing of various styles and price points on site.

## Weaknesses:

- Isolated from the surrounding neighborhoods/Limited access.
- Bridge height is not conducive to pedestrian traffic.
- Interstate 70/71 realignment noise and light pollution.
- Noise from the railroad tracks along the western boundary.
- Transients.
- The site is located within a flood plain.

# Single-Family

- A total of 10 subdivisions were identified built over past 10 years.
- Six are currently selling (149 total lots with 31 sold); Four are “established and sold 74 lots.

Sub-Market	Active Single-Family Subdivisions						
	Active Projects	Total Units	Avail. Units	Ave. Price Range	Average Price	Median Price/SF*	Monthly Absorp.**
Near East	3	56	36	\$130,000 - \$155,000	\$141,000	\$90.00	0.6
Downtown	0	0	0	N/A	N/A	N/A	N/A
Short North	3	93	82	\$250,000 - \$390,000	\$325,000	\$208.33	0.3
Near South	0	0	0	N/A	N/A	N/A	N/A
<b>CMA Total</b>	<b>6</b>	<b>149</b>	<b>118</b>	<b>\$130,000 - \$390,000</b>	<b>\$233,000</b>	<b>\$108.52</b>	<b>0.5</b>

\*Base pricing per square foot, excluding options

\*\*Average monthly sales per project

Sub-Market	2000	2001	2002	2003	2004	2005*	Total
Near East	0	0	0	4	9	7	20
Downtown	0	0	0	0	0	0	0
Short North	0	0	3	4	2	2	11
Near South	0	0	0	0	0	0	0
<b>CMA Total</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>8</b>	<b>11</b>	<b>9</b>	<b>31</b>
<b>% YOY Change</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>	<b>166.7%</b>	<b>37.5%</b>	<b>-18.2%</b>	<b>-</b>

\*Sales through June 2005; YOY - Year Over Year

# Single Family Market

## Strengths:

- Introduces new product type to market.
- *New* single-family homes are not common in market.
- Recent activity in the market indicates “pent up” demand for single-family housing.
- Harrison Park development in the Short North sub-market has already taken 25 reservations for single-family homes.
- Several planned single-family projects (Jeffery Place and Harrison West) in the market will help to stimulate positive synergy.
- Low interest rates and resurgence of historic/downtown neighborhoods have resulted in healthy appreciation rates in the market.

## Weaknesses:

- Historically, there have been very few sales of *new* single-family homes in the market.
- Many buyers that chose to live in the urban “core” prefer vintage, historic single-family homes.
- Cost per square foot of new homes is generally higher than established housing due to construction.
- Potentially limited opportunities for views on site due to their generally lower heights (we assume up to three-stories).
- Increasing interest rates.
- Relatively stagnant local economy, household growth.
- Lower density reduces amount of land for other development.

# Condominiums

- A total of 66 projects were identified that have been built over the past 10 years.
- 40 are currently selling (1,262 total units with 603 sold); 2 are “established” and sold 348.

Sub-Market	Active Single-Family Subdivisions						
	Active Projects	Total Units	Avail. Units	Average Price	Average Price/SF*	Median Price/SF*	Monthly Absorp.**
Near East	2	53	38	\$163,000	\$147.31	\$155.21	0.4
Downtown	14	664	340	\$331,000	\$241.92	\$231.92	3.9
Short North	19	433	233	\$267,000	\$199.27	\$195.76	2.5
Near South	5	112	48	\$260,000	\$183.88	\$179.88	1.3
<b>CMA Total</b>	<b>40</b>	<b>1,262</b>	<b>659</b>	<b>\$283,500</b>	<b>\$209.68</b>	<b>\$199.00</b>	<b>2.7</b>

\*Base pricing per square foot, excluding options

\*\*Average monthly sales per project

# Condominium Market

## Strengths:

- Nationally, the share of condominium sales has increased significantly in recent years as desirable housing sites become scarcer and maintenance free lifestyles become more prevalent.
- Recent and future planned activity in the market creates positive synergy.
- Very healthy sales performance market-wide.
- Allows for more intensive land use (density), which can help defray higher costs for land/materials.
- Multi-level design (assume four-stories or more) will allow/accentuate views on the site of downtown and Metro Park.
- Variety of product can be offered, from “affordable” townhouses to upscale penthouses.

## Weaknesses:

- Market may be nearing maximum annual sales potential.
- There currently exists, as well as are planned, a wide variety of product at all levels of affordability in the market. Very competitive market.
- Availability of Tax Abatements in the Downtown submarket provides a significant competitive advantage.
- Increasing interest rates.
- Relatively stagnant local economy, household growth.
- Likely competition with River South development in downtown.

# Apartments

- We identified and personally surveyed 118 conventional, non-subsidized (market-rate and Tax Credit) apartment properties totaling 4,507 units in the Housing CMA. In addition, there are 222 units under construction or renovation. The remaining 3,223 government-subsidized units are located among 27 subsidized properties.
- Overall occupancy rate is 93.1%, a moderate occupancy rate. Downtown and Short North sub-markets have the largest number of conventional apartment units and the highest overall occupancy rates.

	Non-Subsidized Vacancy Rates By Bedroom Type				
Sub-Market	Studio	One-Br.	Two-Br.	Three-Br.	Four+-Br.
Near East	6.7%	6.7%	9.3%	9.2%	5.0%
Downtown	3.2%	6.7%	8.6%	-	-
Short North	4.0%	6.6%	6.0%	3.8%	0.0%
Near South	0.0%	7.8%	20.0%	-	0.0%
<b>CMA Total</b>	<b>3.8%</b>	<b>6.9%</b>	<b>8.9%</b>	<b>8.0%</b>	<b>2.8%</b>

- The 20% vacancy among 2-bedrooms in the Near South sub-market are concentrated in older, low quality properties.

	Median Gross Rent By Bedroom Type				
Sub-Market	Studio	One-Br.	Two-Br.	Three-Br.	Four+-Br.
Near East	\$384	\$481	\$524	\$738	\$870
Downtown	\$430	\$556	\$902	-	-
Short North	\$440	\$635	\$775	\$1,028	\$731
Near South	\$548	\$877	\$1,224	-	\$886
<b>CMA Total</b>	<b>\$434</b>	<b>\$566</b>	<b>\$772</b>	<b>\$738</b>	<b>\$865</b>

- Median gross rents are highest within the Downtown and Near South sub-markets.

# Apartment Market

## Strengths:

- Introduces new product type to market, with a high share of properties built prior to 1970.
- Improving recent occupancies; rentals will become more attractive as interest rates rise.
- Section 42 Tax Credit program is available for affordable housing.
- Close proximity to entertainment areas.
- Variety of rental configurations can be offered including lofts, flats, and townhouses.

## Weaknesses:

- Rental housing market is still relatively soft. In particular, the “Near South” submarket currently has a vacancy rate of approximately 12%.
- Number of new competitors recently added (as well as are planned) to market including Liberty Place Apartments, which is currently under construction in the Brewery District. Potentially very competitive market.
- Relatively stagnant local economy, poor household growth.



# Retail Market

## Strengths:

- Uniqueness of site.
- Proximity to new Kroger grocery store.
- Potential to support niche retail as well as neighborhood retail.
- Potential to capture regional and weekend traffic.
- Proximity to Audubon Center and opportunity to offer retail related to ornithology.
- Potential for a “signature” dining establishment.

## Weaknesses:

- Isolation of site.
- Lack of visibility/drive-by traffic.
- Limited capacity to support consistent markets other than neighborhood retail because of parking and access issues.
- Specialty retailers would be supported primarily on weekends.
- Lack of a more direct link with Audubon Center.

# Office Market

## Strengths:

- Uniqueness of site.
- Opportunity to attract creative services firms with an alternative to “busy” Arena District.
- “Green” aspect may serve to enhance image of businesses.
- Several amenities including future retail and Metro Park.
- Outside of Arena District, there is limited *new* for-lease office space in market.
- Potential for “turnover” support from existing downtown office tenants.

## Weaknesses:

- Currently supply in market exceeds demand.
- Relative isolation of site/access.
- Lack of visibility/drive-by traffic.
- Limited retail opportunities on the site to serve office tenants.
- Relatively stagnant local economy, household growth.

# Demographic Summary

- Projections indicate that the total CMA population will decrease by 476 people, or 0.9%, between 2004 and 2009.
- Projections indicate that the total CMA households will increase by 2,006, or 7.5%, between 2004 and 2009.
- According to the 2000 Census, owner household turnover for the Housing/Office CMA was 8.6% between 1999 and 2000.
- Well over one-third of households within the CMA earned less than \$30,000 in 2004.

Median HH Income	Downtown	Near South	Short North	Near East	CMA
2004	\$22,248	\$40,532	\$35,448	\$20,288	\$29,803
2009	\$24,175	\$44,891	\$39,065	\$21,659	\$32,583
% Change	8.7%	10.8%	10.2%	6.8%	9.3%

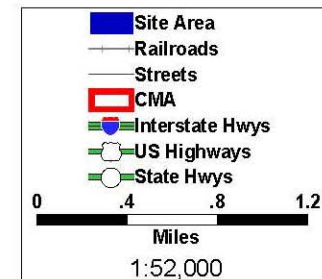
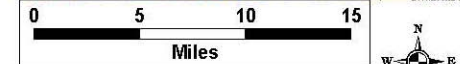
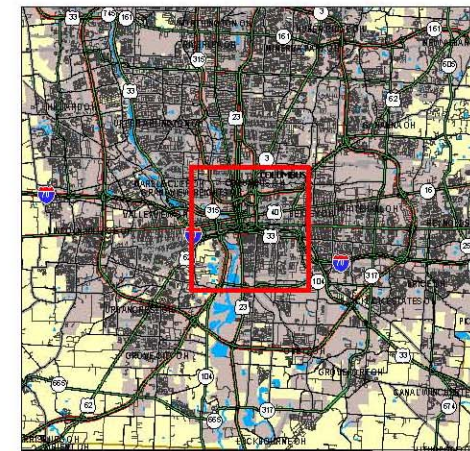
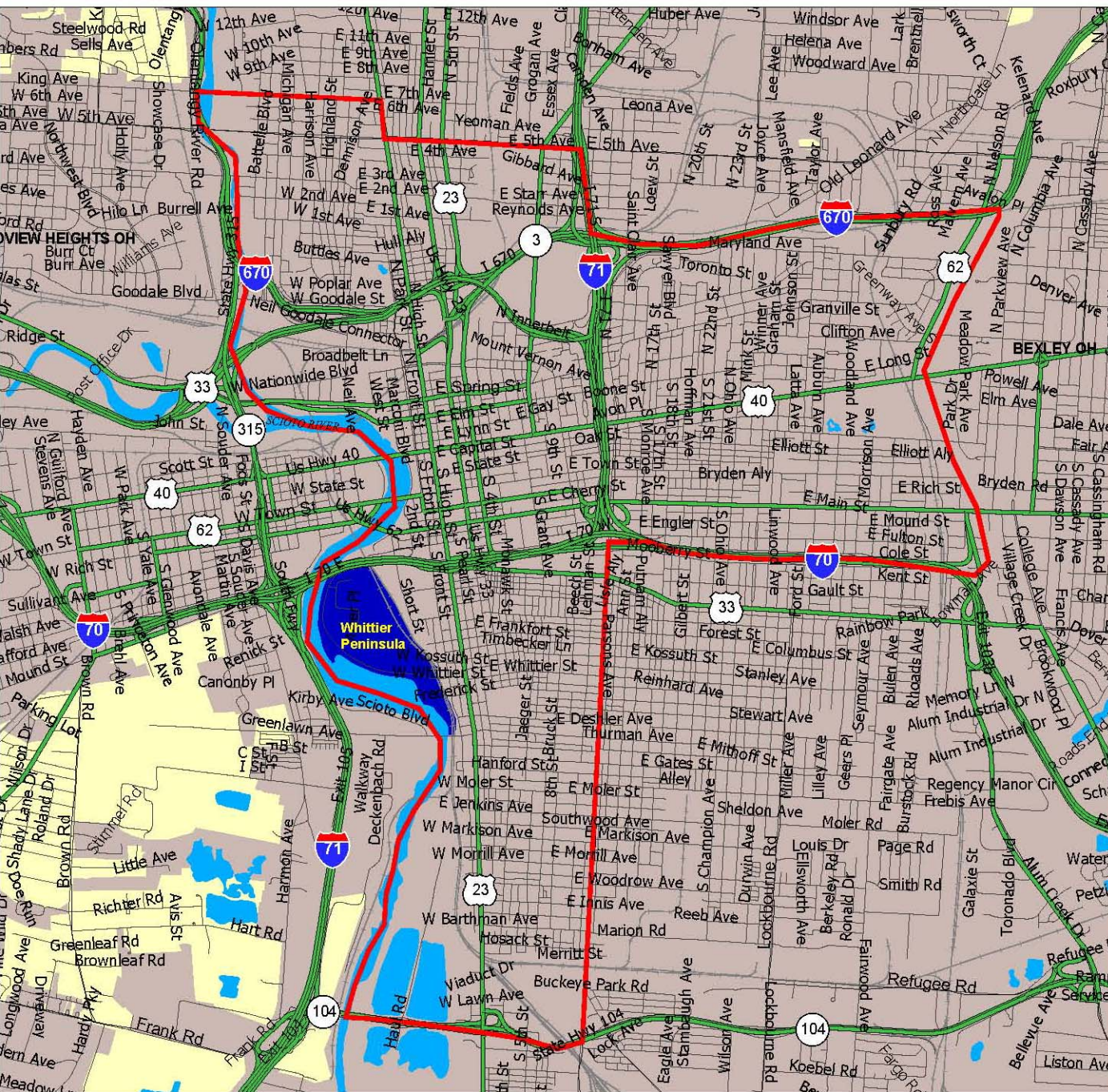
- Households within the Near South and Short North sub-markets continue to hold the largest shares of households earning \$75,000 and over.

# **Housing/Office Competitive Market Area (CMA)**

- We have determined that new development on the Whittier Peninsula will compete directly with housing and office space offered in the adjacent German Village, Brewery District, and Merion Village areas, as well as within the Downtown and Short North.
- The boundaries of the Site Housing/Office CMA include Interstate 670, King Avenue, and Fifth Avenue to the north; Interstate 71, U.S. Route 62 and Parsons Avenue to the east; Interstate 70 and State Route 104 to the south; and the Scioto River to the west.
- The Whittier Peninsula Housing/Office CMA has been divided into four sub-markets: Downtown, Short North, Near East, and Near South.



# Columbus, OH: Competitive Market Area for Housing/Office



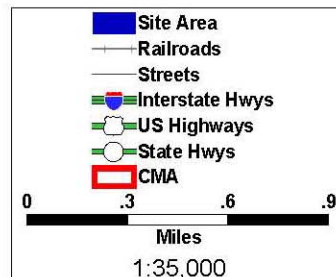
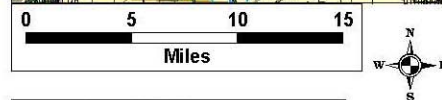
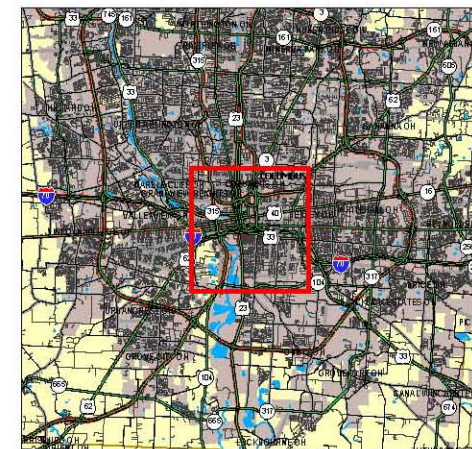
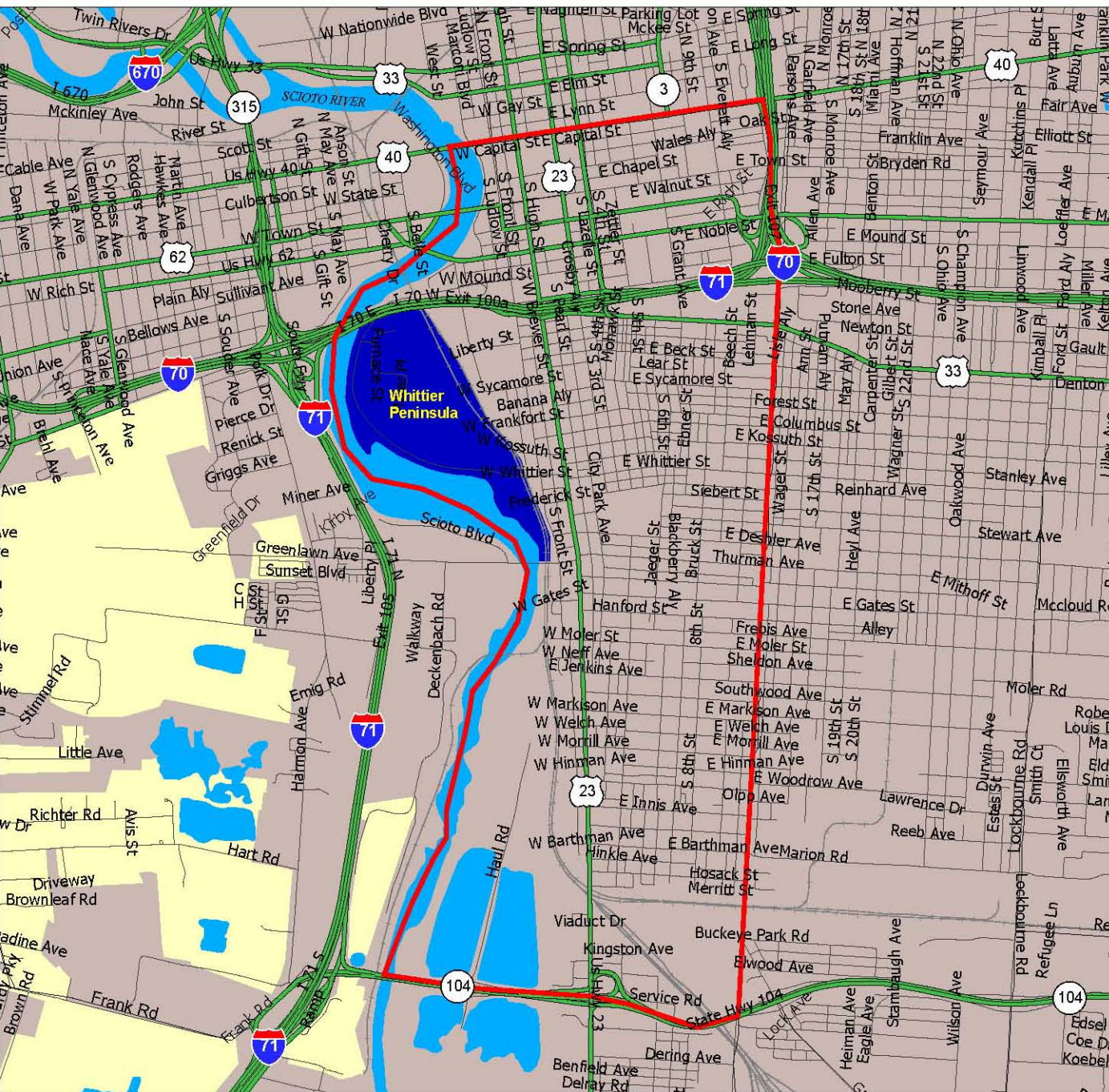


# **Retail Competitive Market Area (CMA)**

The Retail Competitive Market Area (CMA) on the Whittier Peninsula assumes the development of neighborhood-oriented retail, and therefore includes a much smaller area than the Housing/Office CMA. The Retail CMA encompasses the majority of the Southside submarket, as well as approximately half of the Downtown submarket. The boundaries for the Retail CMA include U.S. Route 40/Broad Street to the north; Interstate 71 and Parsons Avenue to the east; State Route 104 to the south; and the Scioto River to the west.



# Columbus, OH: Competitive Market Area for Retail





# Case Study 1: Riverfront Park – Denver, CO

**Developer:** East-West Partners  
[www.ewpartners.com](http://www.ewpartners.com)

**Location:** Little Raven and 15<sup>th</sup> Streets, Denver, Colorado

**Marketing Period:** 2001 – Present

**Project Size:** Approximately 25.0 acres

**Project Density:** 80 Homes per acre

**Green Space:** 20-acre Commons Park

**Summary Description:** Urban, mixed-use development on former rail yard that features high-density condominium and apartment housing with street-level retail. Project targets upscale market with home values ranging from \$200,000 to \$2.6 million. Expected to total 2,000 housing units once complete.

## **Sustainable Aspects:**

- “Ultra” High density, Neo-traditional design
- Proximity to Mass Transportation
- Urban Infill (Brownfield) Location
- Mixed Use Housing and Retail



# Case Study 2: Highlands Garden Village – Denver, CO

**Developer:** Perry Rose, LLC  
[www.rose-network.com](http://www.rose-network.com)

**Location:** Tennyson Street and  
West 38<sup>th</sup> Avenue, Denver,  
Colorado

**Marketing Period:** 1998 – 2003

**Project Size:** Approximately 27.0  
acres

**Project Density:** 11.3 homes per  
acre

**Green Space:** 140,000 square feet  
including community garden

**Summary Description:** Mixed-use, mixed-income infill development that features 72 single-family homes, 98 condominiums and 135 apartment units (61 senior units) with contiguous retail. Multiple levels of affordability are offered including Low-income Tax Credit rental housing.

## **Sustainable Aspects:**

- High density, Neo-traditional design
- Infill Location
- Mixed Use Housing Retail
- Mixed Income Housing
- Reuse of existing infrastructure
- Recycling of existing concrete
- Housing meets or exceeds guidelines of the Colorado's Built Green Program
- Housing is E-Star certified by Energy Rated Homes of Colorado

# Case Study 3: Stapleton – Denver, CO

**Developer:** Forest City Stapleton  
[www.stapletondenver.com](http://www.stapletondenver.com)

**Location:** Quebec Street and East 29<sup>th</sup> Avenue, Denver, Colorado

**Marketing Period:** 1998 – Present

**Project Size:** Approximately 4,700 total acres

**Project Density:** Generally 5 to 7 homes per acre

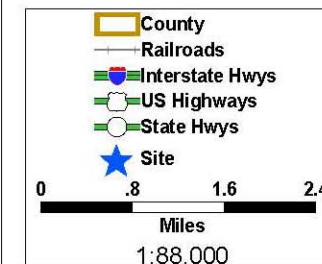
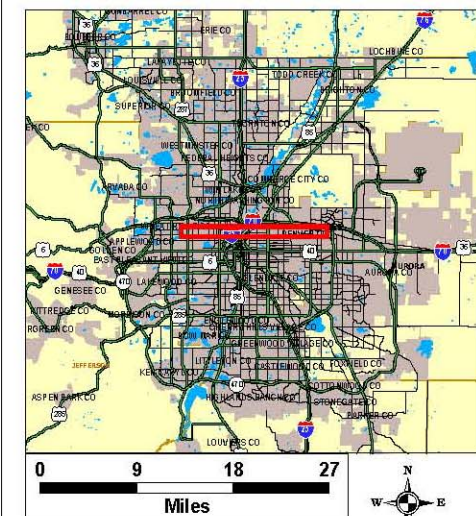
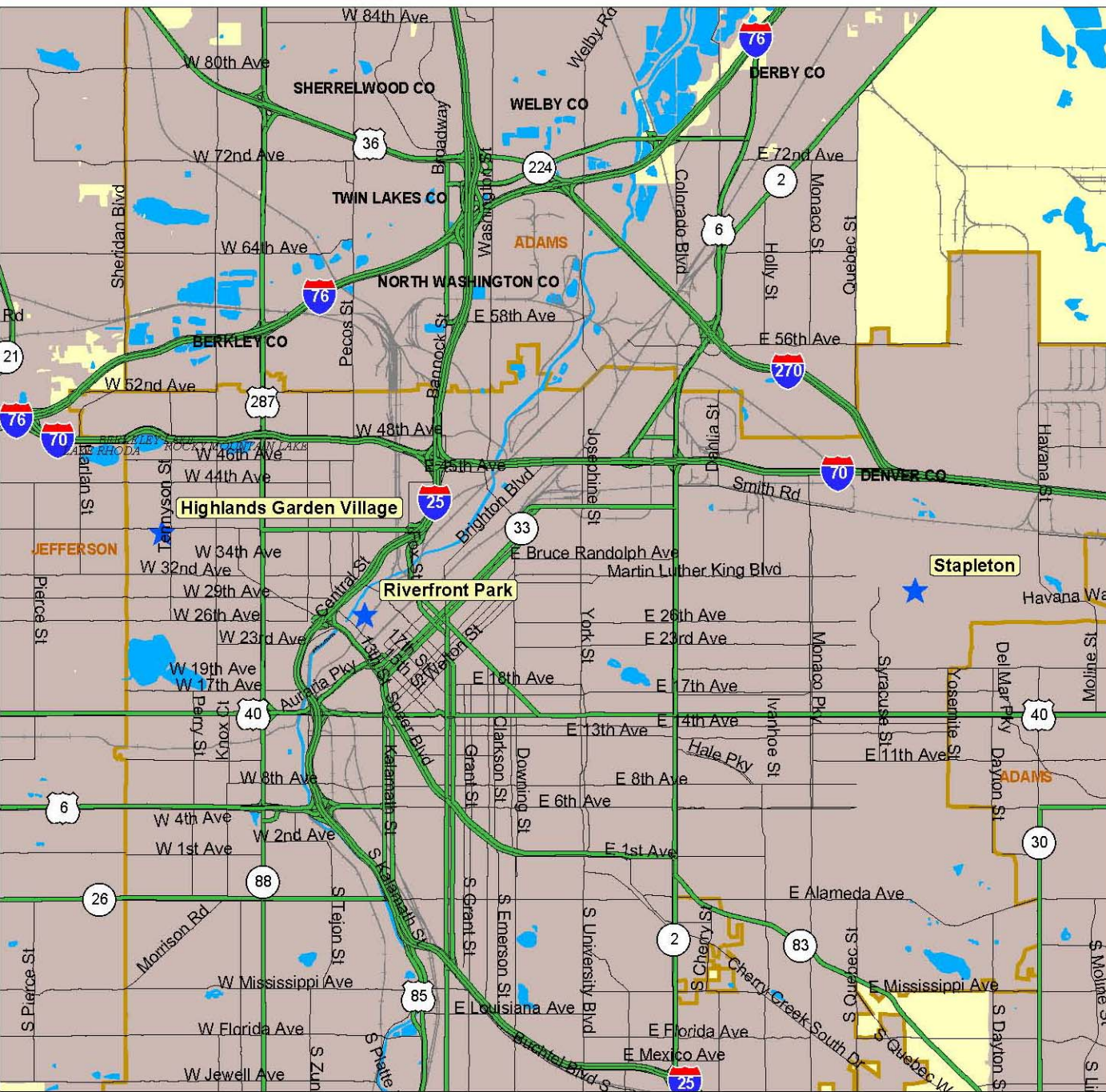
**Green Space:** Approximately 1,116 acres

**Summary Description:** Largest infill development in the nation situated on the 4,700 acres former Stapleton International Airport site. Development is expected to total 8,000 for-sale homes, 4,000 rental units, 10 million square feet of office, and 3 million square feet of retail. Multiple levels of affordability are offered including Low-income Tax Credit rental housing.

## **Sustainable Aspects:**

- High density, Neo-traditional design
- Urban Infill Location
- Mixed Use Housing, Retail, and Office
- Mixed Income Housing
- Housing meets or exceeds guidelines of the Colorado's Built Green Program
- Infrastructure planning and design stress water reuse, energy conservation
- Innovative storm water management approaches

## Denver, CO: Case Studies Site Locations





# Case Study Summary

- The three selected case studies have adopted a variety of “green” or sustainable development principles and techniques. All have been developed on an urban “infill” site and each embrace a high-density, neo-traditional site design that emphasizes smaller home sites, pedestrian friendly features such as alley loaded garages and narrow streets, as well as convenience to public transportation, shopping, recreation, and employment opportunities.
- The three selected case study developments all have more favorable demographic characteristics compared with the Whittier Peninsula Site.
- All the projects have experienced healthy rates of home sales and rental absorption.
- “Green” technologies at the selected projects are generally limited to the housing components. With the exception of a few buildings at Stapleton, the commercial/retail components of the projects have accommodated the tenant’s standard building practices.
- Riverfront Park (Case Study #1) offers very limited “green” technology in homes (e.g., high efficiency furnaces), but the project has the highest density of all the case studies at nearly 80 dwellings per acre (the maximum density proposed for the Whittier Peninsula) as well as the most comparable location to the Whittier Peninsula, which provides a unique contrast between urban and natural settings. The site is located between a 20-acre park and railroad tracks, within proximity to the Denver downtown.
- An examination of the selected case studies indicates that marketing potential increases, at best, only slightly as a result of providing “green” or sustainable technologies as part of the project.
- Representatives admit that it is the pricing, reputation of the builders, and neo-traditional design that ultimately impacts the decision of buyers.